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Turn-over Rate			
Details	**Total Appointments as of beginning of Financial Year** **No.**	**Terminations during the Financial Year** **No.**	**Turn-over Rate***
Year -2	0	0	0%
Year -1	0	0	
Year 0	14	7	0%

COMMENT ON VACANCIES AND TURNOVER:

On the Municipal Manager's post we had an employee from the District who was seconded to act as the Municipal Manager. The post was advertised and the proper recruitment procedures were followed, unfortunately the panel could not find the suitable Candidate as a result the post was re-advertised. The post remained vacant for approximately 12 months.

On the Manager: Information Technology's post, this was a new section. The post was advertised and the proper recruitment procedures were followed, unfortunately the panel could not find the suitable Candidate as a result the post was re-advertised.

We have developed the Staff Retention Policy which is in process of adoption by the Council

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.
The policies have been developed and some reviewed and adopted by the Council. Refer to the table below.

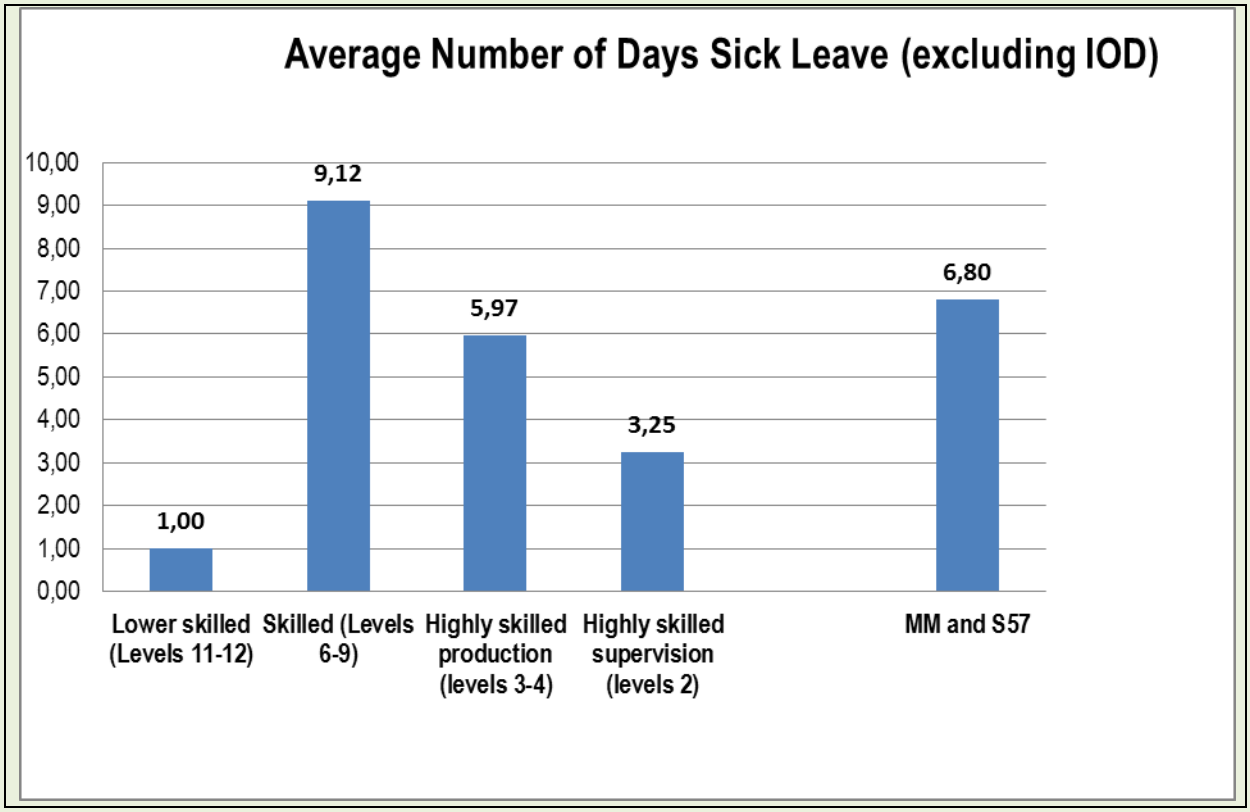
4.2 POLICIES

HR Policies and Plans				
	Name of Policy	**Completed** %	**Reviewed** %	**Date adopted by council or comment on failure to adopt**
2	Attraction and Retention	100%	100%	
3	Code of Conduct for employees	100%	100%	HR Policy adopted on Jan 2013
4	Delegations, Authorisation & Responsibility	100%	100%	28 August 2013
5	Disciplinary Code and Procedures	100%	100%	HR Policy adopted on Jan 2013
7	Employee Assistance / Wellness	100%	100%	HR Policy adopted on Jan 2013
8	Employment Equity	100%	100%	HR Policy adopted on Jan 2013
9	Exit Management	100%	100%	HR Policy adopted on
10	Grievance Procedures	100%	100%	HR Policy adopted on Jan 2013
11	HIV/Aids	100%	100%	HR Policy adopted on Jan 2013
12	Human Resource and Development	100%	100%	HR Policy adopted on Jan 2013
13	Information Technology	100%	100%	Adopted on 25 March 2013
15	Leave	100%	100%	HR Policy adopted on Jan 2013
16	Occupational Health and Safety	100%	100%	29-Jun-06
20	Official Working Hours and Overtime	100%	100%	HR Policy adopted on Jan 2013
24	Recruitment, Selection and Appointments	100%	100%	HR Policy adopted on Jan 2013
27	Sexual Harassment	100%	100%	HR Policy adopted on Jan 2013
28	Skills Development	100%	100%	HR Policy adopted on Jan 2013
29	Smoking			
30	Special Skills	100%	100%	HR Policy adopted on Jan 2013
32	Uniforms and Protective Clothing	100%	100%	Adopted on 25 March 2013
33	Other:			

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken Days**	**Employees using injury leave No.**	**Proportion employees using sick leave %**	**Average Injury Leave per employee Days**	**Total Estimated Cost R'000**
Required basic medical attention only	0	0	0%	0	0
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	0	0		0	0
					T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	**Total sick leave Days**	**Proportion of sick leave without medical certification %**	**Employees using sick leave No.**	**Total employees in post* No.**	***Average sick leave per Employees Days**	**Estimated cost R' 000**
Lower skilled (Levels 11-12)	12		3	12	1,00	
Skilled (Levels 6-9)	146	4%	10	16	9,12	
Highly skilled production (levels 3-4)	209	15%	20	35	5,97	
Highly skilled supervision (levels 2)	13		2	4	3,25	
MM and S57	34	1%	4	5	6,80	
Total	**414**	**7%**	**39**	**72**	5,75	**0**



COMMENT ON INJURY AND SICK LEAVE:

During the financial year under review, there were no injuries on duty. The sick leave rate is estimated at 1.3%.

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
SCM Manager		03-Jun-13	Still in progress	Still in progress
SPU Manager		03-Jun-13	Still in progress	Still in progress

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
SCM Manager		Still in progress	Still in progress
SPU Manager		Still in progress	Still in progress

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were two employees who were suspended towards the end of the financial year and their cases are still in progress.

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	**Beneficiary profile**				
	Gender	**Total number of employees in group**	**Number of beneficiaries**	**Expenditure on rewards Year 1 R' 000**	**Proportion of beneficiaries within group %**
Lower skilled (Levels 11-12)	Female	0	0	0	0%
	Male	0	0	0	0%
Skilled (Levels 9-10)	Female	0	0	0	0%
	Male	0		0	0%
Highly skilled production (levels 6-8)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled supervision (levels 4-5)	Female	0	0	0	0%
	Male	0	0	0	0%
Senior management (Levels 2-3)	Female	0	0	0	0%
	Male	0	0	0	0%
MM and S56	Female	0	0	0	0%
	Male	2	2	5&7	5&7%
Total		2	2		
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

COMMENT ON PERFORMANCE REWARDS:

There were two S54 employees who got the performance bonus. One of them got 5% and the other got 7%.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

55% of employees were capacitated in various LGSETA accredited learning programs as per approved Workplace Skills Plan.

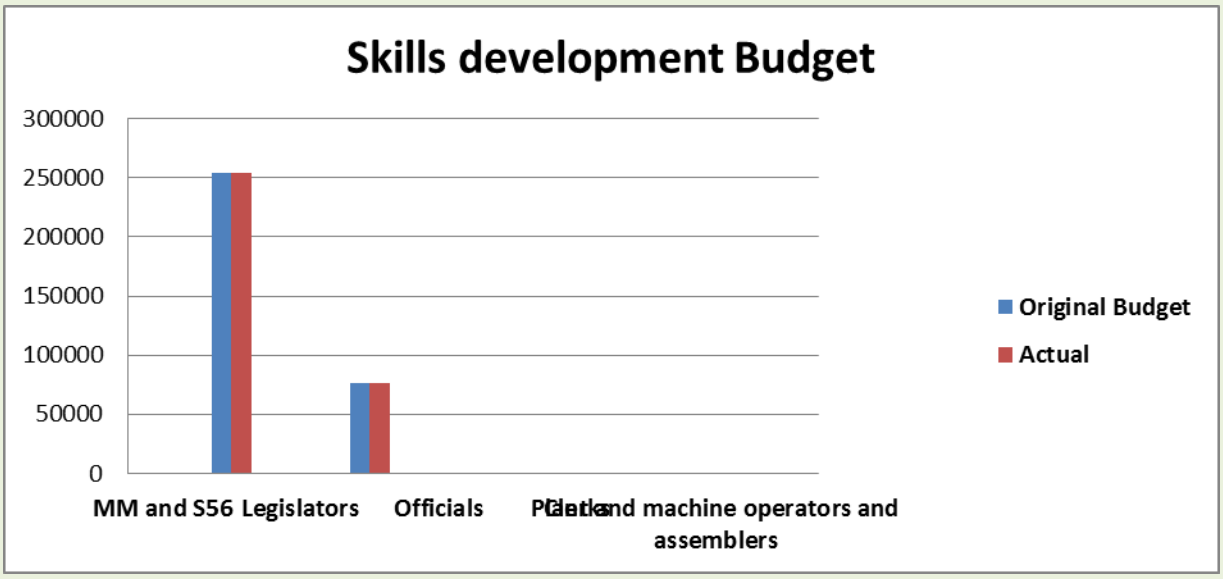
4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	**Gender**	**Employees in post as at 30 June Year 0**	**Number of skilled employees required and actual as at 30 June Year 0**											
			Learnerships			**Skills programmes & other short courses**			**Other forms of training**			**Total**		
		No.	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**	**Actual: End of Year -1**	**Actual: End of Year 0**	**Year 0 Target**
MM and s56	Female		5							0	1			1
	Male		5							1	2		1	2
Councillors, senior officials and managers	Female		2							3	3		3	3
	Male		3							4	4		4	4
Technicians and associate professionals*	Female		4							2	2		2	2
	Male		8							8	9		8	9
Professionals	Female		8							6	6		6	6
	Male		6							2	2		2	2
Sub total	Female		19							11	12		11	12
	Male		22							15	17		15	17
Total		0	82	0	0	0	0	0	0	52	58	0	52	58
**Registered with professional Associate Body e.g CA (SA)*														*T 4.5.1*

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	0	1	1
Chief financial officer	0	0	0	0	0	0
Senior managers	0	0	0	0	0	0
Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	1	0	1	0	1	1

** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)* T 4.5.2

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S56	Female	1								
	Male	4							253600	253600
Legislators	Female	15								
	Male	23							76800	76800
Officials	Female									
	Male									
Clerks	Female									
	Male									
Plant and machine operators and assemblers	Female									
	Male									
Sub total	Female									
	Male									
Total		43							330600	330600
**% and *R value of municipal salaries (original budget) allocated for workplace skills plan.*									**%***	*R
T4.5.3										



COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

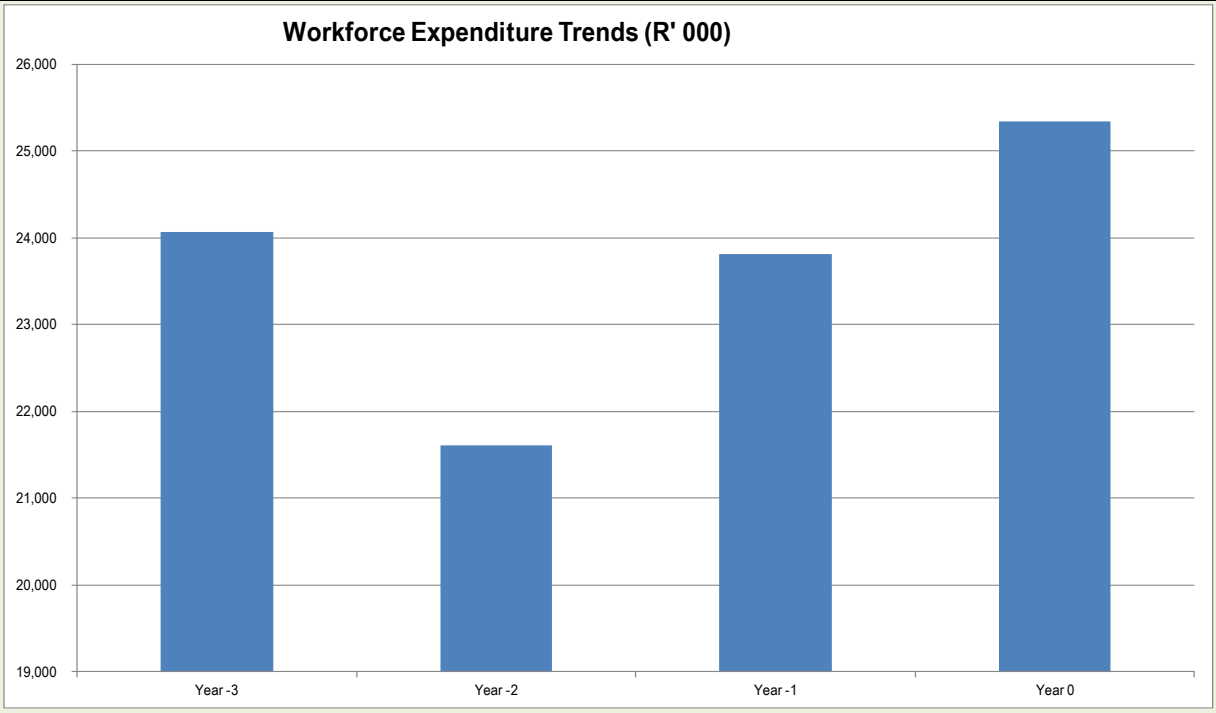
20% of S54 and S56 employees comply with the MFMA Competency Regulations and the other 80% is currently enrolled for the Competency Level Qualification

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

We have established the Training Committee which scrutinises the Personal Development Plans from the Employees which then recommends to the Human Resource Manager the number of employees who could be financially assisted taking into consideration the approved budget and WSP for the project. We use LGSETA accredited service providers for the training of the employees and the Supervisors monitor the performance after the training.

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

COMMENT ON WORKFORCE EXPENDITURE:

The expenditure pattern shows a steady increase due to the fact that we are employing more staff members.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower skilled (Levels 11-12)	Female	0
	Male	0
Skilled (Levels 9-10)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	1
Highly skilled supervision (Levels 4-5)	Female	1
	Male	2
Senior management (Levels 2-3)	Female	0
	Male	0
MM and S 56	Female	0
	Male	0
Total		4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	**Number of employees**	**Job evaluation level**	**Remuneration level**	**Reason for deviation**
0	0	0	0	0

Employees appointed to posts not approved				
Department	**Level**	**Date of appointment**	**No. appointed**	**Reason for appointment when no established post exist**
0	0	0	0	0

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

The Management recommended to Council the upgrade of four posts due to the workload and the level of qualification for incumbents. There are no variances.

DISCLOSURES OF FINANCIAL INTERESTS

At the beginning of the Financial Year all Employees and Councillors were issued with the disclosure forms that had to be signed and brought back to the Municipality.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Ref	Budget Year 2012/13									Budget Year +1 2013/14	Budget Year +2 2014/15
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	2 843	–	–	–	–	–	–	–	2 843	3 070	3 316
Property rates - penalties & collection charges									–	–		
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - other									–	–		
Rental of												

facilities and equipment									–	–		
Interest earned - external investments									–	–		
Interest earned - outstanding debtors									–	–		
Dividends received									–	–		
Fines									–	–		
Licences and permits									–	–		
Agency services									–	–		
Transfers recognised - operating		125 535						–	–	125 535	116 561	124 085
Other revenue	2	1 090	–	–	–	–	–	–	–	1 090	1 177	1 271
Gains on disposal of PPE									–	–		
Total Revenue (excluding capital transfers and contributions)		**129 468**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**129 468**	**120 809**	**128 672**
Expenditure By Type												
Employee related costs		25 755	–	–	–	–	–	–	–	25 755	27 301	28 939
Remuneration of councillors		10 348						–	–	10 348	10 969	11 627
Debt impairment									–	–		
Depreciation & asset impairment		6 300	–	–	–	–	–	–	–	6 300	6 804	7 348
Finance charges									–	–		
Bulk purchases		–	–	–	–	–	–	–	–	–	–	–
Other materials									–	–		
Contracted services		–	–	–	–	–	–	–	–	–	–	–
Transfers and grants									–	–		
Other expenditure		87 065	–	–	–	–	–	(455)	(455)	86 610	94 030	101 553
Loss on disposal of PPE									–	–		
Total Expenditure		**129 468**	**–**	**–**	**–**	**–**	**–**	**(455)**	**(455)**	**129 013**	**139 104**	**149 467**
Surplus/(Deficit)		**(0)**	**–**	**–**	**–**	**–**	**–**	**455**	**455**	**455**	**(18 296)**	**(20 795)**

Transfers recognised - capital									–	–		
Contributions									–	–		
Contributed assets									–	–		
Surplus/(Deficit) before taxation		**(0)**	**–**	**–**	**–**	**–**	**–**	**455**	**455**	**455**	**(18 296)**	**(20 795)**
Taxation									–	–		
Surplus/(Deficit) after taxation		**(0)**	**–**	**–**	**–**	**–**	**–**	**455**	**455**	**455**	**(18 296)**	**(20 795)**
Attributable to minorities									–	–		
Surplus/(Deficit) attributable to municipality		**(0)**	**–**	**–**	**–**	**–**	**–**	**455**	**455**	**455**	**(18 296)**	**(20 795)**
Share of surplus/ (deficit) of associate									–	–		
Surplus/ (Deficit) for the year		**(0)**	**–**	**–**	**–**	**–**	**–**	**455**	**455**	**455**	**(18 296)**	**(20 795)**

5.2GRANTS

GOVERNMENT GRANTS AND SUBSIDIES ALLOCATION

GOVERNMENT GRANTS AND SUBSIDIES- ALLOCATION	Current Year 2012/2013						
	Approved Budget	Adjusted Budget	Full Year Forecast	Actual as at 31 December 2012	Balance	Budget Year 2013/2014	Budget Year 2014/2015
National Grants Allocations							
Equitable share	86 177 000	86 177 000	86 177 000	64 633 000	21 544 000	93 230 000	100 756 000
Municipal Systems Improvement Grant (MSIG)	800 000	800 000	800 000	800 000	0	900 000	950 000
Local Government Financial Management Grant (FMG)	1 500 000	1 500 000	1 500 000	1 500 000	0	1 750 000	1 770 000
Municipal Infrastructure Grant (MIG)	29 908 000	29 908 000	29 908 000	18 841 000	11 067 000	31 549 000	33 373 000
Sub Total - National Grant Allocations	**118 385 000**	**118 385 000**	**118 385 000**	**85 774 000**	**32 611 000**	**127 429 000**	**136 849 000**
Provincial Grants Allocations							
Department of Sports and Recreation	150 000	150 000	150 000	150 000	0	0	0
Integrated National Electricity Programme	7 000 000	7 000 000	7 000 000	6 000 000	1 000 000	0	0
Sub Total - Provincial Grants Allocations	**7 150 000**	**7 150 000**	**7 150 000**	**6 150 000**	**1 000 000**	**0**	**0**
TOTAL GRANT ALLOCATIONS	**125 535 000**	**125 535 000**	**125 535 000**	**91 924 000**	**33 611 000**	**127 429 000**	**136 849 000**

5.3 ASSET MANAGEMENT

The municipality has an asset management policy. The policy also incorporates elements of GRAP.
There is a manager and accountants that are responsible for asset management. The municipality compiled the fixed assets register for the 2012/13 financial year in accordance with GRAP 17.This formed part of the process of the annual financial statements preparation.

T 5.3.1

Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	5880000	5880000	807649	86%

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
BUDGET MANAGEMENT							
1	Percentage over-spending of the final approved operating expenditure budget	Not over-spent	% over-spent	Limitation	Not over-spent	% over-spent	Limitation
		Not over-spent			Not over-spent	-	

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		**AS AT 30 JUNE 2013**			**AS AT 30 JUNE 2012**		
2	Percentage under-spending of the final approved capital budget	**Not under-spent**	**% under-spent**	**Limitation**	**Not under-spent**	**% under-spent**	**Limitation**
			2.7%			**64.5%**	
GRANT MANAGEMENT							
3	Percentage under-spending of conditional grants received	**Not under-spent**	**% under-spent**	**Limitation**	**Not under-spent**	**% under-spent**	**Limitation**
			21.6%			**80.2%**	
EXPENDITURE MANAGEMENT							
4	Creditor-payment period [1]	**Days**		**Limitation**	**Days**		**Limitation**
		14.3			**10**		
REVENUE MANAGEMENT							
5	Debtor-collection period (before impairment)	**Days**		**Limitation**	**Days**		**Limitation**
		119.8			**270**		

FINANCIAL INDICATORS					
(Limitation = unable to obtain sufficient appropriate information)		**AS AT 30 JUNE 2013**		**AS AT 30 JUNE 2012**	
6	Debtor-collection period (after impairment)	**Days**	**Limitation**	**Days**	**Limitation**
		29.1		**187**	
7	Debtors impairment provision as a percentage of accounts receivable	**% debtors impaired to accounts receivable**	**Limitation**	**% debtors impaired to accounts receivable**	**Limitation**
		75.7%		**-**	
8	Debtors impairment provision as a percentage of revenue from goods and services rendered on credit	**% debtors impaired to revenue from goods and services**	**Limitation**	**% debtors impaired to revenue from goods and services**	**Limitation**
		24.8%		**-**	
9	Percentage water losses incurred	**% water losses**	**Limitation**	**% water losses**	**Limitation**
		n/a		**n/a**	
10	Percentage electricity losses incurred	**% electricity losses**	**Limitation**	**% electricity losses**	**Limitation**
		n/a		**n/a**	

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		**AS AT 30 JUNE 2013**			**AS AT 30 JUNE 2012**		
ASSET AND LIABILITY MANAGEMENT							
11	A deficit for the year was realised (total expenditure exceeded total revenue)	**No**	**Yes**	**Limitation**	**No**	**Yes**	**Limitation**
		X			**X**	**-**	
12	A net current liability position was realised (total current liabilities exceeded total current assets)	**No**	**Yes**	**Limitation**	**No**	**Yes**	**Limitation**
		X			**X**	**-**	
13	A net liability position was realised (total liabilities exceeded total assets)	**No**	**Yes**	**Limitation**	**No**	**Yes**	**Limitation**
		X			**X**	**-**	
14	Percentage of PPE	**% PPE and intangible assets impaired**		**Limitation**	**% PPE and intangible assets impaired**		**Limitation**

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012		
	and/or intangible assets impaired	0.2%			0.6%		
15	Percentage of loan receivables (loans awarded) and/or investments impaired	% loans and investments impaired		Limitation	% loans and investments impaired		Limitation
		0			n/a		
CASH MANAGEMENT							
16	The year-end bank balance was in overdraft	No	Yes	Limitation	No	Yes	Limitation
		0			X		
17	Net cash flows for the year from operating activities were negative	No	Yes	Limitation	No	Yes	Limitation
		74 420 354					
18	Cash and cash	Bank in overdraft	% cash to operating expenditure	Limitation	Bank in overdraft	% cash to operating expenditure	Limitation

FINANCIAL INDICATORS								
(Limitation = unable to obtain sufficient appropriate information)		AS AT 30 JUNE 2013			AS AT 30 JUNE 2012			
	equivalents as a percentage of operating expenditure		**103.9%**			-		
19	Creditors as a percentage of cash and cash equivalents	**Bank in overdraft**	**% creditors to cash**	**Limitation**	**Bank in overdraft**	**% creditors to cash**		**Limitation**
			3.8%			-		
20	Percentage by which unspent conditional grants received exceeds cash available at year-end	**Bank in overdraft**	**Not exceeded**	**% exceeded**	**Limitation**	**Bank in overdraft**	**Not exceeded**	**% exceeded**	**Limitation**
			Not exceeded				-		
21	Current liabilities as a percentage of net cash inflows for the year from operating activities	**Negative/no cash flows**	**% current liabilities to cash inflows**		**Limitation**	**Negative/no cash flows**	**% current liabilities to cash inflows**		**Limitation**
			-31.3%				-		

FINANCIAL INDICATORS							
(Limitation = unable to obtain sufficient appropriate information)		**AS AT 30 JUNE 2013**			**AS AT 30 JUNE 2012**		
22	Long-term debt as a percentage of net cash inflows for the year from operating activities	**Negative/no cash flows**	**% long-term debt to cash inflows**	**Limitation**	**Negative/no cash flows**	**% long-term debt to cash inflows**	**Limitation**
			0.0%			**-**	
23	Employee benefit obligation as a percentage of net cash inflows for the year from operating activities	**Negative/no cash flows**	**% employee benefit obligation to cash flows**	**Limitation**	**Negative/no cash flows**	**% employee benefit obligation to cash flows**	**Limitation**
			337.5%			**-**	

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

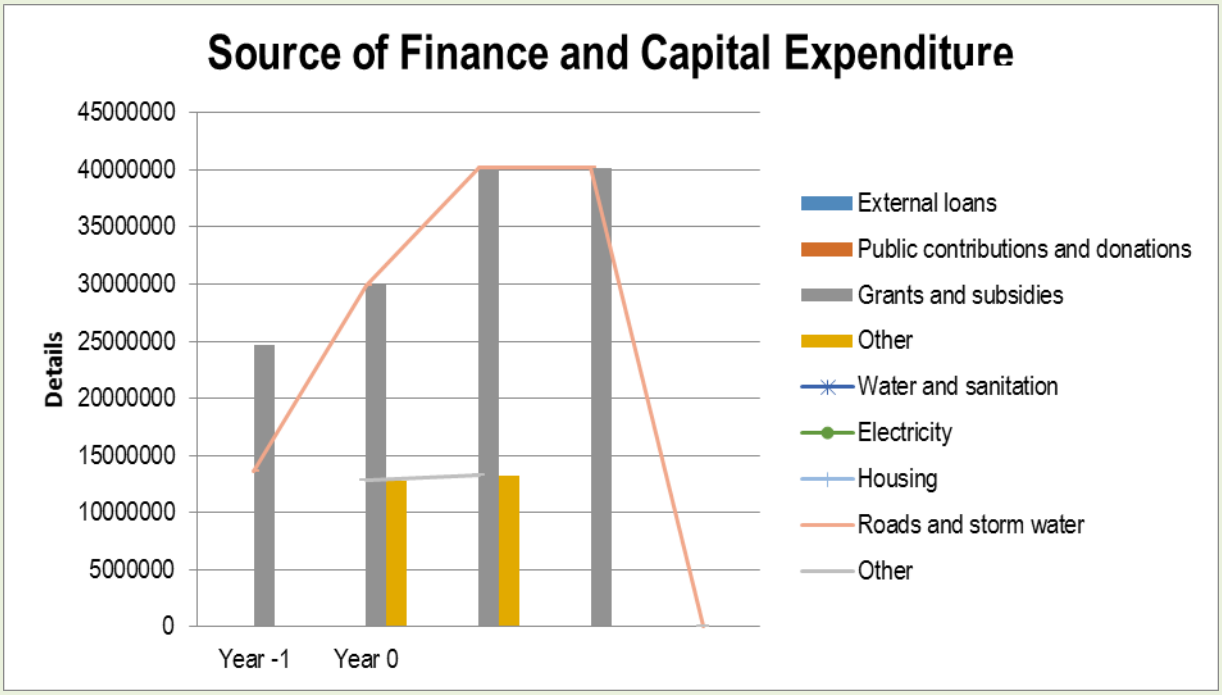
5.5 CAPITAL EXPENDITURE

The municipality has a capital budget of R53 million and has spent 91 % for the total capital budget. A large proportion of the funding is related to MIG funds.

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0 R' 000							
Details		**Year -1**	**Year 0**				
		Actual	**Original Budget (OB)**	**Adjustment Budget**	**Actual**	**Adjustment to OB Variance (%)**	**Actual to OB Variance (%)**
Source of finance							
	External loans			0			
	Public contributions and donations						
	Grants and subsidies	24655000	29908000	40178348	40178348	100,00%	134,34%
	Other		12801000	13256000			
Total		**24655000**	**42709000**	**53434348**	**40178348**	**100,00%**	**134,34%**
Percentage of finance							
	External loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Grants and subsidies	100,0%	70,0%	75,2%	100,0%	100,0%	100,0%
	Other	0,0%	30,0%	24,8%	0,0%	0,0%	0,0%
Capital expenditure							
	Water and sanitation						
	Electricity						
	Housing						

	Roads and storm water	13661004	29924000	40178348	40178348	34,27%	34,27%
	Other		12785000	13256000		3,68%	-100,00%
Total		**13661004**	**42709000**	**53434348**	**40178348**	**37,95%**	**-65,73%**
Percentage of expenditure							
	Water and sanitation		0,0%	0,0%		0,0%	0,0%
	Electricity		0,0%	0,0%		0,0%	0,0%
	Housing		0,0%	0,0%		0,0%	0,0%
	Roads and storm water	100,0%	70,1%	75,2%	100,0%	90,3%	-52,1%
	Other	0,0%	29,9%	24,8%	0,0%	9,7%	152,1%
							T 5.6.1



Umzumbe municipality's main source of funding is government grants.

T 5.6.1.1

5.7 CAPITAL SPENDING ON LARGEST PROJECTS

Capital Expenditure of largest projects* R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Roads and infrastructure	29 908 000	40 178 348	40 178 348	134%	100%

Umzumbe municipality's main capital projects are that of roads infrastructure. A large portion of funds are allocated to roads infrastructure.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

MIG grants have been utilised to address the backlogs.

T 5.8.1

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is key to the sustainability of the municipality and its ability to provide services to the communities

T 5.9

5.9 CASH FLOW

Cash Flow Statement

Figures in Rand	Note(s)	2013	Restated 2012
Cash Flows From Operating Activities			
Receipts			
Government grants and subsidies		133 735 000	104 309 997
Receipts from customers		2 716 108	2 828 337
Interest Income		3 465 211	1 893 608
		139 916 319	109 031 942
Payments			
Cash Paid to Suppliers and Employees		(65 495 965)	(55 654 807)
Net Cash Flows From Operating Activities	22	**74 420 354**	**53 377 135**
Cash Flows From Investing Activities			
Purchase of Property, Plant and Equipment	2	(48 390 423)	(17 553 346)
Purchase of other intangible assets	3	(42 334)	(17 474)
Proceeds from sale of assets		146 049	-
Net Cash Flows From Investing Activities		**(48 286 708)**	**(17 570 820)**
Net (Decrease)/Increase in Cash and Cash Equivalents		**26 133 646**	**35 806 315**
Cash and Cash Equivalents at the Beginning of the Year		51 423 832	15 617 517
Cash and Cash Equivalents at the End of the Year	7	**77 557 478**	**51 423 832**

CASH FLOW OUTCOMES:

The municipality's cash flow is monitored regularly showing a favorable liquidity position. As at 30 June 2013, the municipality had cash and cash equivalents of R77,6 million.

5.10 BORROWING AND INVESTMENTS

BORROWING AND INVESTMENTS

The municipality holds investments amounting to R9, 6 million. Interest is earned at competitive rates. The municipality does not have any borrowings.

T 5.10.1

Municipal and Entity Investments			R' 000
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners	9566066	9566066	9566066
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	9566066	9566066	9566066
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies			

(sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	9566066	9566066	9566066
			T 5.10.4

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

The municipality is in its second year of implementation of Pastel Evolution which has assisted in the facilitating of procurement such as electronic requisitions and orders. Separate files were opened for each individual contract which contained details of the contractor, evaluation and adjudication reports, payments details etc.

Bids of at least R 100 000 were submitted to Treasury in accordance with SCM regulations.
The evaluation and adjudication of the tenders was done accordingly. When evaluating and adjudicating tenders, HDIs, women, disabled, youth, locality, SMME components etc. were considered without compromising the requirements as per the advertisement.

5.13 GRAP COMPLIANCE

The municipality has to prepare annual financial statements in accordance with GRAP. The annual financial statements for the 2012-2013 year was prepared in accordance with GRAP and were submitted to the Auditor General for audit.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR -1 (**PREVIOUS YEAR**) Refer to the attached Audit Report

The municipality received an unqualified audit for the previous financial year. The report was tabled to council together with corrective measures to address the audit findings.

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 0

The municipality received an unqualified audit for the previous financial year. The report was tabled to council together with corrective measures to address the audit findings. **Refer to the attached Audit Report**

UMZUMBE MUNICIPALITY

MANAGEMENT REPORT FINDINGS for the year ended 30 June 2013

CORRECTIVE ACTION PLANS

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
1	Acquisition of single service split – procurement process not followed	Each department will review their plans prior to any requests for goods/services in order to check if goods/services need to be procured through tender processes.	28 February 2014	All departments
2	Suppliers in service of the state	The municipality has flagged these suppliers and will not continue to do business with them. In addition, request for quotations documents will have spaces provided for suppliers to declare their interests. The municipality will consider the use of AG or Treasury to vet suppliers.	31 March 2014	Municipal Manager
3	Preferential points system not applied	A documents check list will be developed which will facilitate the submission of BBBEE verification certificates. The calculation of points will be documented. Notify service providers that failure to submit required documents will result in	Immediate	SCM Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
		disqualification.		
4	Tax clearance certificate not obtained	A documents check list will be developed which will facilitate the submission of tax clearance certificates. These tax clearance certificates will be checked for validity and be properly filed. Notify service providers that failure to submit required documents will result in disqualification.	Immediate	SCM Manager
5	Municipality transacting with suppliers with whom employees have an interest	The municipality has flagged these suppliers and will not continue to do business with them. In addition, request for quotations documents will have spaces provided for suppliers to declare their interests. The municipality will consider the use of AG or Treasury to vet suppliers.	31 March 2014	Municipal manager
6	Two phased/staged approach of appointment of engineers	The municipality will amend their SCM policy to clearly outline the process for the panel of consulting engineers.	31 March 2014	Municipal manager, CFO & Director: Technical services
7	Targets are not specific	The 2013/14 IDP process will be reviewed and amended to include key performance indicators that fulfill the requirements of the guidelines.	28 February 2014	IDP Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
8	Long outstanding receivables	The municipality will follow up with government departments in order to facilitate payment.	31 March 2014	CFO
9	Uncollected receivables	The municipality will consult with lawyers regarding the matter.	28 February 2014	Municipal manager
10	Inaccuracies in depreciation calculation	The accounting policy in the notes to the AFS will be updated and changed to state that the depreciation formula changes whenever any of these parameters (RUL, residual value, impairment) are changed/ adjusted.	Immediate	CFO
11	Fair value of assets	The accounting policy in the notes to the AFS will be updated to indicate that in the absence of an acquisition date, these assets are recognized, fair valued, and added to the fixed asset register on the date that they were identified.	Immediate	CFO
12	Inconsistency between planned and reported information	The corrective measure in this regard would be to ensure that the respective Managers and Directors stick to the targets set out in the SDBIP and thus ensuring consistency and compliance. In cases where targets are reported to have	28 February 2014	IDP Manager

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
		been achieved the Portfolio of evidence will need to be provided by the reporting departments. The management will ensure proper monitoring and performance reporting by using the new reporting template provided by the Department of Cooperative Governance and Traditional Affairs, Performance Management System Section.		
13	Non-compliance with CIDB regulations	A compliance checklist in respect of the CIDB regulations will be compiled and monitored for adherence.	28 February 2014	Director: Technical Services
14	Provision for debt impairment: Restated comparative and non-alignment of movement in opening and closing balances	The notes to the AFS will be reviewed and more detailed disclosure will be made to enhance transparency.	30 June 2014	Chief Financial Officer
15	Supplier duplications on database	The supplier database will be reviewed on a consistent basis to ensure that supplier information is accurate and not duplicated. Duplicate suppliers will be blocked in the supplier database.	30 April 2014	SCM Manager
16	Payday system not timeously updated for	All leave will be captured frequently as soon as they are	28 February 2014	Director: Corporate services

NO	FINDING	CORRECTIVE ACTION	COMPLETION DATE	RESPONSIBLE MANAGER
	leave transactions	approved and submitted to Human Resources. Memos that are sent to staff advising them to take leaves will also be sent to their HODs to avoid carelessness. Staff will also be encouraged to read the HR Policy in order to familiarise themselves of what is expected of them regarding leave.		
17	Employee did not submit sick note for more than two days	The number of days of sick leave will be monitored by management. Where more than two days of leave has been taken, management should ensure that a sick note is presented.	Immediate	Director: Corporate services
18	Trade and other payables adjustments	The trade and other payables will be reviewed and the error corrected.	31 December 2013	Manager : Expenditure & Assets

MFMA SECTION 71 RESPONSIBILITIES:
Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. In terms of section 71 of the MFMA, the municipality must by no later than 10 working days after the end of each month submit to the mayor and the relevant treasury monthly budget statements. The monthly financial reports were prepared timeously and were submitted to the Executive

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs.

	Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a

	given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time FT/PT**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
				%	%
Cllr D K Msomi	PT	LLF/Community Services-ANC	Ward 1	86	14
Cllr C S Ngwabe	PT	Housing-Independent	Ward 2	43	57
Cllr M R Mqadi	PT	Housing-ANC	Ward 3	100	0
Cllr S P Maluleka	PT	Planning-ANC	Ward 4	43	57
Cllr S T Gumede	FT	EXCO/FBCC-ANC	Ward 5	86	14
Cllr S E Radebe	PT	LED-ANC	Ward 6	86	14
Cllr T L Peters	PT	Housing-ANC	Ward 7	43	57
Cllr J P Mntambo	FT	Housing/EXCO-ANC	Ward 8	71	29
Cllr M J Mkhize	PT	MPAC/LED-ANC	Ward 9	86	14
Cllr T M Mbayi	PT	MPAC/LED/Youths-ANC	Ward 10	43	57
Cllr N E Mhlangu	PT	FBCC/Youths-ANC	Ward 11	86	14
Cllr K B M Mbhele	PT	FBCC-ANC	Ward 12	71	29
Cllr S R Cele	PT	LED-ANC	Ward 13	100	0
Cllr M S Mdletshe	PT	Community Services-ANC	Ward 14	100	0
Cllr M P L Zungu	FT	Community Services/EXCO-ANC	Ward 15	100	0
Cllr M Z Luthuli	PT	MPAC/FBCC-ANC	Ward 16	43	57
Cllr P A Hlongwa	PT	Community Services-ANC	Ward 17	86	14
Cllr O J Mbambo	PT	Housing-ANC	Ward 18	100	0
Cllr A E Zindela	PT	Planning-ANC	Ward 19	71	29
Cllr N Y Dlamini	FT	EXCO/LED-ANC	Party represented	71	29

Cllr S R Ngcobo	FT	Ex-Officio Youth/Council-ANC	Party represented	86	14
Cllr N Caluza	PT	Community Services-ANC	Party represented	100	0
Cllr M P Shozi	FT	Planning/EXCO-ANC	Party represented	71	29
Cllr B Sikhosana	PT	Housing-ANC	Party represented	86	14
Cllr T B Mbhele	PT	FBCC-ANC	Party represented	100	0
Cllr C L Shezi	PT	Planning-ANC	Party represented	100	0
Cllr D Z Shozi	PT	Planning-ANC	Party represented	71	29
Cllr L M R Ngcobo	PT	Community Services-DA	Party represented	100	0
Cllr T M Khuzwayo	PT	MPAC-IFP	Party represented	57	43
Cllr B Caluza	PT	Youth/Planning-IFP	Party represented	29	71
Cllr S C Gasa	PT	Housing-NFP	Party represented	71	29
Cllr N B Shozi	PT	LED-NFP	Party represented	86	14
Cllr Y L Duma	FT	FBCC/EXCO-NFP	Party represented	71	29
Cllr M Ndlovu	FT	Youth/Recess Planning/EXCO-NFP	Party represented	71	29
Cllr M Hlongwa	PT	FBCC-NFP	Party represented	71	29
Cllr T S Khuzwayo	PT	Planning-NFP	Party represented	57	43
Cllr S Lushaba	PT	MPAC/LED-NFP	Party represented	100	0
Cllr KS Doncab	Pt	Community Services	PT	57	43
*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*					*T A*

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
MPAC	Help Council to hold executive and the municipal administration to account and ensure the efficient and effective use of municipal resources.
Council	
EXCO	Ensures that the municipality; • Provides democratic and accountable government for the community of Umzumbe. • Promotes social and economic development • Promotes health and safety environment. • Provides services in a sustainable manner to the community of Umzumbe. • Ensures that administration, budgeting and planning process of the municipality meet the requirements of Section 153 (a) of the Constitutions. • Oversees the execution of national and provincial functions performed by municipality in accordance with funds provided by relevant government. • It comprises of seven Councillors including the Mayor and Deputy Mayor. • It reviews and identifies community needs in order of priority. • Managing the drafting of IDP, Budget and SDBIP and submit to full Council for adoption. • Refers decisions to Council with or without resolutions.

	• Evaluate progress against performance indicators.
Community Services	The object of the Community Services Committee is to assist the Executive committee to promote a healthy environment by: • Advising on legislation, prevention and enforcement mechanisms, which are within the financial and administrative capacity of the municipality; • Overseeing the enforcement of municipal bylaws and other applicable laws by municipal employees and functionaries in order to ensure that municipal employees and functionaries involved in law enforcement are accountable to a democratically elected body; • Overseeing certain municipal services, including health, cultural, cleansing and maintenance services; and • To pay attention to educational and welfare services in general as they apply to the entire municipality.
Development Planning	**Objectives** • Encourage the involvement of the entire municipal community, its bodies; stakeholders and institutions in matter of local government. • Participate in National and Provincial programmes • Promote the implementation of Integrated Development Plan (IDP) • Consider reports to EXCO for preparations of Land Use Management Plan, subdivisions of land; PMS etc. • Planning Committee may consider all matters of a policy nature.
Human Settlements	

LED & Infrastructure	• Promotes the implementation of LED and IDP. • Assists in providing funding for local business services centers. • Promotes local economic development programmes. • Oversees rendering of services in historically disadvantaged areas. • Consults with traditional Leaders on matters of the economic development. • Report to EXCO. • Consist of seven members.
FBCC	• Has two departments reporting to it i.e. Finance and Corporate Services. • Administers the capital and operational budget of the municipality. • Advises the EXCO on all legislation relating to billing, rating and taxation; insurance, banking and investments; grants in aid etc. • Oversees Financial Statements, general financial reporting; • Advises EXCO on obtaining proper legal services for the municipality; acquisition and provision of municipal office; implementation and maintenance of an approved maintenance system. • Comprises of seven members.
Youth Development	
LLF	
	T B

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Municipal Manager's Office	Ms N.C. Mgijima
Financial Services	Mr K. Audan
Corporate Services	Mr B.G. Nyuswa
Technical Services	Mr S.S. Phakathi
Social and Economic Development	Mr P.T. Cele
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	*T C*

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
Air pollution	No (District Function)	
Building regulations	Yes	
Child care facilities	Yes	
Electricity and gas reticulation	No (ESKOM Function)	
Firefighting services	Yes (Shared Services)	
Local tourism	Yes (Shared Services	
Municipal airports	No (District Function)	
Municipal planning	Yes	
Municipal health services	No	
Municipal public transport	No (District Function)	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No (District Function)	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	Yes	
Fencing and fences	Yes	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	Yes	

Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes (Shared Services)	
Municipal abattoirs	Yes (Shared Services	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	No	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes (Shared Services)	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
**** If municipality: indicate (yes or No); * If entity: Provide name of entity***		*T D*

APPENDIX E – WARD REPORTING

Functionality of Ward Committees						
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**		**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
1	**Cllr D K Msomi**		**yes**	**10**		**Nil**
	Bongekile	Dlamini				
	Cele	Pretty				
	Ngwazi	Joshua				
	Fano	Shazi				
	Ngcobo	Nomvume				
	Cele	Squnga				
	Zamisa	Melzina				
	Zondo	Mthethi				
	Mkhungo	Sindiswa				
	Khwela	Gladys				
2	Cllr C S Ngwabe		yes	10	10	Nil

	Cele	Sabelo				
	Lushaba	Nomusa				
	Ngwabe	Nomcebo				
	Shabane	Mndeni				
	Dlamini	Robert				*T E*
	Lukhozi	Stanford				
	Shabane	Maswazi				
	Faya	Nobuhle				
	Proffessor	Ngwazi				
	Madlala	Mandisa				
3	Cllr M R Mqadi		yes	10	10	Nil
	Mncibi	Ayanda				
	Mthembu	Buyisile				
	Dlamini	Sipho				
	Mzelemu	Nobesuthu				
	Dlamini	Ephraim				
	Cele	Mandla				
	Ngwabe	Rosalia				
	Makhoba	Nozipho				
	Mthembu	Mzwakhe				
	Dlungwana	Mzomuhle				
4	Cllr S P Maluleka		yes	10	10	Nil
	Dlamini	Moses				
	Nxumalo	Proffessor				
	Msomi	Nonkazimulo				
	Ndlovu	Samuel				
	Caluza	Alphios				
	Phungula	Nomusa				
	Ngubane	Patric				
	Lushaba	Petros				
	Mchunu	Noxolo				
	Dlamini	Mthunzi				
5	Cllr S T Gumede		yes	10	10	Nil
	Mthethwa	Nonhlanhla				
	Malunga	Khonziwe				
	Cele	Zandile				
	Mdabe	Mduduzi				
	Nzama	Busisiwe				

	Khomo	Ntombizodwa				
	Gasa	Gerald				
	Mbhele	Thembisile				
	Mhlongo	Thulisile				
	Hlongwa	Dakaza				
6	Cllr S E Radebe		yes	10	10	Nil
	Mboma	William				
	Shezi	Zwelonke				
	Mncibi	Nokuthula				
	Dlamini	Mathi				
	Mbhele	Nqobile				
	Mthimkhulu	Sandile				
	Mteshane	Nqobile				
	Mhlungu	Zibonele				
	Mbhele	Sandile				
	Gumbi	Zandile				
7	Cllr T L Peters		yes	10	10	Nil
	Ngcobo	Nokubonga				
	Nzama	Sfiso				
	Gamede	Phumzile				
	Mbheleni	Mthembeni				
	Dlamini	Philisiwe				
	Mkhwanazi	Nofading				
	Hlongwa	Sizwe				
	Mntambo	Bongani				
	Mntambo	Nompumelo				
	Sbiya	Thule				
8	Cllr P Mntambo		yes	10	10	Nil
	Luthuli	Zethu				
	Dlamini	Thulisile				
	Mkhize	Phumzile				
	Cele	Sphiwe				
	Shezi	Stephan				
	Biyase	Mandlenkosi				
	Dingila	Makhosazana				
	Qumbisa	Phindile				
	Ngcobo	Bhekinkosi				
	Chamane	Bhekanzama				
9	Cllr M J Mkhize		yes	10	10	Nil

	Gumede	Zola				
	Mjwara	Lindiwe				
	Mkhize	Bheko				
	Mchunu	Fikile				
	Hlongwane	Qobizitha				
	Mnganga	Sandile				
	Dlamini	Lucia				
	Cele	Lungisani				
	Mbumbe	Mkhipheni				
10	Cllr T M Mbayi		yes	10	10	Nil
	Makhanya	Bongiwe				
	Gasa	Tholakele				
	Phewa	Thembani				
	Dlamini	Bandlalakhe				
	Cele	Zethu				
	Blankenberg	Terry				
	Makhathini	Dudu				
	Dlamini	Joice				
	Khomo	Philip				
	Nzimande	Msawenkosi				
11	Cllr N E Mhlangu		yes	10	10	Nil
	Khumalo	Zamani				
	Mkhize	Thumani				
	Zama	Sandile				
	Gumede	Thobeleni				
	Gumede	Mduduzi				
	Shozi	Thobisile				
	Ndlovu	Ntombifuthi				
	Gumede	Dolly				
	Duma	Ayanda				
	Nyuswa	Thandazile				
12	Cllr K B M Mbhele		yes	10	10	Nil
	Mnguni	Petros				
	Mthimkhulu	Fisani				
	Mtolo	Mavis				
	Khumalo	Bonosiwe				
	Doyisa	Japhet				
	Shozi	Nomathemba				

	Ngidi	Bhekizwe				
	Sawoni	Celiwe				
	Shazi	Sphelele				
	Mnguni	Isaac				
13	Cllr S R Cele		yes	10	10	Nil
	Ngcobo	Gugu				
	Khawula	Bonakele				
	Nyele	Hezekia				
	Nyuswa	Nkosinathi				
	Nyuswa	Bongiwe				
	Duma	Dumsani				
	Mkhungo	Philisile				
	Mnguni	Phumlile				
	Chili	Mthobisi				
14	Cllr M S Mdletshe		yes	10	10	Nil
	Shozi	Clementia				
	Shinga	Beauty				
	Doncabe	Philisiwe				
	Gumede	Johana				
	Maluleka	Wilson				
	Shinga	Sebenzile				
	Nzimande	Sbonelo				
	Gumede	Syabonga				
	Mqadi	Babilo				
	Madlala	Zandile				
15	Cllr M P L Zungu		yes	10	10	Nil
	Khawula	Thoko				
	Shezi	Ntombikhona				
	Mbayi	Sibusiso				
	Shabane	Robert				
	Gambushe	Bhoyi				
	Msani	Sindi				
	Gumede	Khanyisile				
	Shabane	Agnes				
	Ngcece	Shadrack				
	Cele	Siyakhula				

16	Cllr M Z Luthuli		yes	10	10	Nil
	Gumede	Nomusa				
	Mhlongo	Sindi				
	Lindiwe	Khumalo				
	Ngcobo	Bongani				
	Shozi	Bhekuyise				
	Zwane	Sbongile				
	Khuluse	Nontokozo				
	Mlita	Bheki				
	Msimango	Duduzile				
	Khambule	Dudu				
17	Cllr P A Hlongwa		yes	10	10	Nil
	Vumeleni	Shazi				
	Hlongwane	Philisiwe				
	Malunga	Nonhlanhla				
	Sengane	Bheki				
	Mkhize	Richard				
	Myende	Lindiwe				
	Mkhungo	Naledi				
	Habile	Phumzile				
	Radebe	Vashwana				
	Khwela	Winnie				
18	Cllr O J Mbambo		yes	10	10	Nil
	Dlamini	Thulani				
	Zamisa	Thulani				
	Nxumalo	Bhekani				
	Msomi	Duduzile				
	Luthuli	Daphney				
	Hadebe	Thandazile				
	Mchunu	Philani				
	Nyawo	Thoza				
	Luthuli	Xolisile				
	Msomi	Albert				
19	Cllr A E Zindela		yes	10	10	Nil
	Chiliza	Gesi				

	Mlotshwa	Sakhephi				
	Jeza	Robert				
	Nzama	Nhlanhla				
	Mkhize	Ntokozo				
	Xulu	Bonginkosi				
	Duma	Nonhlanhla				
	Khomo	Doris				
	Jeza	Thuthukani				
	Mkhize	Amos				

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during Year 0**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
23 August 2012	**See the attached minutes**	Yes
20 December 2012	**See the attached minutes**	Yes
20 February 2013	**See the attached minutes**	Yes
20 June 2013	**See the attached minutes**	Yes
		T G

Annual Financial Statements
for the year ended 30 June 2013

General Information

Legal form of entity	Municipality
Nature of business and principal activities	Providing services to the community of Umzumbe
Executive Committee	Councillor Gumede ST (Mayor) Councillor Dlamini NY (Deputy Mayor) Councillor Ngcobo (Speaker) Councillor Mntambo JP (Exco Member) Councillor Zungu MPL (Exco Member) Councillor Shozi MP (Exco Member) Councillor Duma YL (Exco Member) Councillor Ndlovu M (Exco Member)
Councillors	Councillor Gwabe CS Councillor Mqadi MR Councillor Maluleka SP Councillor Radebe SP Councillor Peters TL Councillor Mkhize MJ Councillor Mbayi TM Councillor Mhlangu NE Councillor Mbhele KBM Councillor Cele SR Councillor Mdletshe MS Councillor Luthuli MZ Councillor Hlongwa PA Councillor Mbambo OJ Councillor Zindela AE Councillor Caluza N Councillor Mbhele BI Councillor Shezi CL Councillor Z Shozi Councillor LMR Ngcobo Councillor Khuzwayo M Councillor Caluza B Councillor Doncabe KS Councillor Gasa SC Councillor Shozi NB Councillor M Hlongwa Councillor Khuzwayo T Councillor Lushaba S Councillor Msomi DK Councillor Sikhosana B
Accounting Officer	Ms NC Mgijima
Registered office	Sipofu Road Mathulini Tribal Authority 4220

UMZUMBE LOCAL MUNICIPALITY

ANALYISIS OF PROPERTY,PLANT AND EQUIPMENT AS AT 30 JUNE 2013

APPENDIX A

	COST				ACCUMALTED DEPRECIATION				ACCUMALTED IMPAIRMENT				NET BOOK VALUE	
	Balance 30/6/2012	Total additions	Disposals	Balance 30/6/2013	Balance 30/6/2012	Depreciation	Disposals	Balance 30/6/2013	Balance 30/6/2012	Impairment	Disposals	Balance 30/6/2013	2012-2013	2011-2012
Dwellings	431 775,78	375 000,00	-	806 775,78	149 209,32	69 477,60	-	218 686,92	-	-	-	-	588 088,86	282 566,46
Non-Residential Dwel	48 533 401,04	2 578 306,08	-	51 111 707,12	7 697 701,84	1 570 319,75	-	9 268 021,59	2 959 666,71	61 179,42	-	3 020 846,13	38 822 839,40	37 876 032,49
Roads	69 555 742,29	14 527 902,06	-	84 083 644,35	11 567 235,62	5 628 846,16	-	17 196 081,78	86 714,81	-	-	86 714,81	66 800 847,76	57 901 791,86
Solid Waste Disposal	37 793,73	197 750,00	-1 500,00	234 043,73	6 596,76	10 020,79	-80,44	16 537,11	-	-	-	-	217 506,62	31 196,97
Machinery and Equip	3 175 427,38	2 600 444,66	-875,42	5 774 996,62	1 488 053,01	184 267,04	-713,26	1 671 606,79	1 828,51	-	-	1 828,51	4 101 561,32	1 685 545,86
Furniture and Office E	2 404 263,69	237 248,77	-94 152,52	2 547 359,94	1 361 167,28	280 366,61	-60 728,38	1 580 805,51	4 084,98	488,56	-	4 573,54	961 980,89	1 039 011,43
Computer Equipment	1 620 063,05	409 338,31	-217 137,03	1 812 264,33	963 443,26	214 620,67	-143 399,32	1 034 664,61	22 778,23	17 867,07	-347,36	40 297,94	737 301,78	633 841,56
Transport Assets	3 462 679,07	556 577,83	-667 925,82	3 351 331,08	914 976,75	391 433,33	-364 406,25	942 003,83	-	-	-	-	2 409 327,25	2 547 702,32
Assets Under Constru	24 069 142,13	27 012 694,41	-	51 081 836,54	-	-	-	-	-	-	-	-	51 081 836,54	24 069 142,13
	153 290 288,16	48 495 262,12	-981 590,79	200 803 959,49	24 148 383,84	8 349 351,95	-569 327,65	31 928 408,14	3 075 073,24	79 535,05	-347,36	3 154 260,93	165 721 290,42	126 066 831,08

UMZUMBE LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

APPENDIX B

	COST				ACCUMLATED DEPRECIATION				IMPAIRMENT	CARRYING VALUE	
Description	Balance 30/6/2012	Total additions	Disposals	Balance 30/6/2013	Balance 30/6/2012	Deprection	Disposals	Balance 30/6/2013	Accumalated Impairment	Carrying value 30/6/2013	Carrying value 30/6/2012
EXECUTIVE AND COUNCIL	1 292 345,72	373 348,98	-73 325,54	1 592 369,16	829 455,99	157 326,63	-57 006,44	929 776,18	3 321,01	659 271,97	460 056,13
FINANCIAL AND ADMIN	21 693 615,61	4 109 627,82	-834 539,50	24 968 703,93	5 682 869,93	1 232 182,41	-473 203,50	6 441 848,84	38 236,51	18 488 618,58	15 990 004,46
TECHNICAL SERVICES	89 573 310,14	43 458 554,68	-17 427,12	133 014 437,70	11 656 921,81	5 676 518,70	-10 823,12	17 322 617,39	89 207,37	115 602 612,94	77 827 180,96
PLANNING AND DEVELOPMENT	137 718,75	66 592,20	-9 125,00	195 185,95	47 248,64	22 713,80	-2 112,30	67 850,14	-	127 335,81	90 470,11
COMMUNITY & SOCIAL SERVICES	40 593 297,94	487 138,44	-47 173,63	41 033 262,75	5 931 887,47	1 260 610,41	-26 182,29	7 166 315,59	3 023 496,05	30 843 451,12	31 699 118,42
	153 290 288,16	**48 495 262,12**	**-981 590,79**	**200 803 959,49**	**24 148 383,84**	**8 349 351,95**	**-569 327,65**	**31 928 408,14**	**3 154 260,93**	**165 721 290,42**	**126 066 830,08**

UMZUMBE LOCAL MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

APPENDIX C

2012			Classification by function	2013		
Actual Revenue	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R		R	R	R
11 380 790	7 595 187	3 785 604	Executive & Council	14 104 745	7 464 964	6 639 781
61 397 055	41 059 972	20 337 083	Financial and Administration Services	86 038 941	45 802 146	40 236 795
12 652 078	8 443 604	4 208 473	Technical Services	22 567 591	11 943 942	10 623 649
2 296 693	1 532 742	763 951	Planning and Development Services	2 820 949	1 492 993	1 327 956
10 023 039	6 689 066	3 333 974	Community and Social Services	15 515 219	8 211 460	7 303 759
97 749 655	65 320 570	32 429 085		141 047 445	74 915 505	66 131 940
97 749 655	65 320 570	32 429 085	Total	141 047 445	74 915 505	66 131 940

UMZUMBE LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2013

APPENDIX D1

REVENUE	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Property rates	2 842 921	-	2 842 921	3 100 795	(257 874)	-9,1%	Not required
Interest earned - external investments	1 000 000	-	1 000 000	3 465 211	(2 465 211)	-246,5%	Surplus funds were invested for longer periods than anticipated.In addition interest rates achieved on investments were competitive
Government grants and subsidies	125 535 000	10 270 348	135 805 348	133 780 733	2 024 615	1,5%	Not required
Other income	90 000	-	90 000	700 706	(610 706)	-678,6%	More revenue received than anticipated
Total revenue	**129 467 921**	**10 270 348**	**139 738 269**	**141 047 445**	(1 309 176)	**-0,9%**	

EXPENDITURE	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Salary related costs	36 103 830	-	36 103 830	33 208 950	2 894 880	8,0%	Not required
Repairs and maintenance, depreciation and debt impairment	12 165 000	15 000	12 180 000	9 514 191	2 665 809	21,9%	The municipality had planned to spend on maintanence costs on the tipper truck for waste management.However as the municipality could not reach an agreement with the other parties,the truck could not be purchased.This resulted in lower spending of repairs and maintainence.
Community Participation	900 000	150 000	1 050 000	1 056 920	(6 920)	-0,7%	Not required
General expenses	36 680 091	290 000	36 970 091	30 869 577	6 100 514	16,5%	Projects such as implementation of the KZN Pounds Acts and Ntelezi Msane were not implemented during this financial year.In addtion there was slow spending on the waste managment project.
Total expenditure	**85 848 921**	**455 000**	**86 303 921**	**74 649 638**	11 654 283	**13,5%**	
NET SURPLUS FOR THE YEAR	**43 619 000**		**53 434 348**	**66 397 807**	**(12 963 459)**		

UMZUMBE LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2013

APPENDIX D (2)

	Actual Additions	Under Construction	Total Additions	Approved budget	Adjustments	Final Budget (R)	Variance	Variance	Explanation of Significant Variances greater than 10%
	R	R	R	R	R	R	R	%	
FURNITURE,EQUIPMENT, MACHINERY AND COMPUTERS	3 247 032	-	3 247 032	4 666 000	355 000	5 021 000	1 773 968	35,33%	The municipality had planned to purchase a tipper truck for its shared services waste management project.However as the municipality could not reach an agreement with the other parties,the truck could not be purchased.
TRANSPORT ASSETS	556 578	-	556 578	500 000	100 000	600 000	43 422	7,24%	Not required
ROADS AND INFRASTRUCTURE	17 678 958	27 012 694	44 691 653	37 543 000	10 270 348	47 813 348	3 121 695	6,53%	Not required
TOTAL	**21 482 568**	**27 012 694**	**48 495 262**	**42 709 000**	**10 725 348**	**53 434 348**	**4 939 086**	**9,24%**	

UMZUMBE MUNICIPALITY

GRANTS REGISTER FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

APPENDIX E

GRANT NAME	BALANCE UNSPENT BEGINNING OF PERIOD 01 JULY 2012	RECEIPTS FOR THE YEAR	EXPENDITURE FOR THE YEAR	TRANSFERRED BACK TO GOVERNMENT	INTEREST RECEIVED FOR THE YEAR	BALANCE UNSPENT END OF PERIOD 30 JUNE 2013
Project consolidate	99 884,62	-	-		-	99 884,62
Municipal systems improvement grant	0,00	800 000,00	800 000,00		-	0,00
MAP (Management assistance programme)	-	-	-		-	-
Financial management grant	0,00	1 500 000,00	1 500 000,00		-	0,00
GIS grant	36 339,50	-	28 354,65		-	7 984,85
Municipal infrastructure grant	10 270 348,01	29 908 000,00	40 178 348,01		-	0,00
Low cost housing grant	598 745,56	-	107 990,00		22 157,38	512 912,94
Youth advisory center grant	-	-			-	-
Internal Auditor	141 781,72	-	141 781,72		-	0,00
Ntelezi Msane	1 000 000,00	-	-		-	1 000 000,00
KZN Pounds Act	1 000 000,00	-	-	1 000 000,00	-	-
National Electrification Grant	-	7 000 000,00	4 040 273,00		-	2 959 727,00
Disaster Management Grant	-	8 200 000,00	771 034,91			7 428 965,09
KZN Sports	-	150 000,00	35 950,00			114 050,00
	13 147 099,41	**47 558 000,00**	**47 603 732,29**	**1 000 000,00**	**22 157,38**	**12 123 524,50**

UMZUMBE LOCAL MUNICIPALITY

STATEMENT OF ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2013

APPENDIX D1

REVENUE	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Property rates	2 842 921	-	2 842 921	3 100 795	(257 874)	-9,1%	Not required
Interest earned - external investments	1 000 000	-	1 000 000	3 465 211	(2 465 211)	-246,5%	Surplus funds were invested for longer periods than anticipated.In addition interest rates achieved on investments were competitive
Government grants and subsidies	125 535 000	10 270 348	135 805 348	133 780 733	2 024 615	1,5%	Not required
Other income	90 000	-	90 000	700 706	(610 706)	-678,6%	
Total revenue	**129 467 921**	**10 270 348**	**139 738 269**	**141 047 445**	(1 309 176)	**-0,9%**	

EXPENDITURE	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Salary related costs	36 103 830	-	36 103 830	33 208 950	2 894 880	8,0%	Not required
Repairs and maintenance, depreciation and debt impairment	12 165 000	15 000	12 180 000	9 780 058	2 399 942	19,7%	The municipality had planned to spend on maintanence costs on the tipper truck for waste management.However as the municipality could not reach an agreement with the other parties,the truck could not be purchased.This resulted in lower spending of repairs and maintainence.
Community Participation	900 000	150 000	1 050 000	1 056 920	(6 920)	-0,7%	Not required
General expenses	36 680 091	290 000	36 970 091	30 869 577	6 100 514	16,5%	Projects such as implementation of the KZN Pounds Acts and Ntelezi Msane were not implemented during this financial year.In addtion there was slow spending on the waste managment project.
Total expenditure	**85 848 921**	**455 000**	**86 303 921**	**74 915 505**	11 388 416	**13,2%**	
NET SURPLUS FOR THE YEAR	**43 619 000**		**53 434 348**	**66 131 940**	**(12 697 592)**		

CAPITAL	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Expenditure	42 709 000	10 725 348	53 434 348	48 495 262	4 939 086	9,2%	Not required

CASHFLOWS	Approved Budget (R)	Adjustments	Final Budget (R)	Actual (R)	Variance (R)	Variance (%)	Explanation of Significant Variances greater than 10 %
Net cash from (used) operating	85 848 921	455 000	86 303 921	74 420 354	11 883 567	13,8%	Less spending on projects and savings on salaries
Net cash from (used) investing	42 709 000	10 725 348	53 434 348	(48 286 708)	5 147 640	9,6%	Not required
Net cash from (used) financing				-			
Cash/cash equivalents at the begining of the year				51 423 832			
Cash/cash equivalents at the year end	**128 557 921**	**11 180 348**	139 738 269	**77 557 478**	62 180 791	**44,5%**	